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ABSTRACT

This individualized, competency-based unit on developing business plans, the third of 18 modules, is on the third level of the revised Program for Acquiring Competence in Entrepreneurship (PACE). Intended for the advanced secondary and postsecondary levels and for adults wanting training or retraining, this unit, together with the other materials at this level, emphasizes the actual application of a business plan. Three competencies are dealt with in this instructional unit, including (1) identifying how business plans help the entrepreneur, (2) recognizing how business plans should be organized, and (3) identifying and using mechanics for developing business plans. Materials provided include objectives, preparation information, an overview, content (with questions in margins that guide the students' reading), activities, assessment forms, and notes and sources. The unit requires using approximately 3 hours of class time. (YLB)

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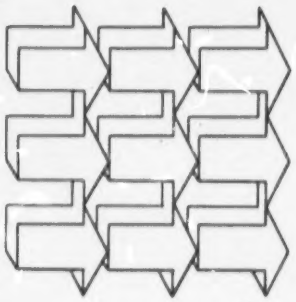

UNIT 3

☐ Level 1
☐ Level 2
☑ Level 3

Developing the Business Plan

Developed by M. Catherine Ashmore and Sandra G. Pritz

You will be able to:

- **Identify how the business plan helps the entrepreneur.**
- **Recognize how a business plan should be organized.**
- **Identify and use the mechanics for developing a business plan.**

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BEFORE YOU BEGIN . . .

1. Consult the *Resource Guide* for instructions if this is your first PACE unit.

2. Read the Unit Objectives on the front cover. If you think you can meet these objectives now, consult your instructor.

3. These objectives were met at Levels 1 and 2:

   Level 1 -

   - Identify the reasons for planning for entrepreneurship
   - Identify the components of a business plan
   - Complete a business plan worksheet

   Level 2 -

   - Recognize how a business plan contributes to entrepreneurship
   - Review the questions that should be answered in a business plan

   If you feel unsure about any of these topics, ask your instructor for materials to review them.

4. Look for these business terms as you read this unit. If you need help with their meanings, turn to the Glossary in the *Resource Guide*.

   business plan
   sales

DEVELOPING THE BUSINESS PLAN

WHAT IS THIS UNIT ABOUT?

If you are technically competent in your job and you're planning to open your own business, then you need to develop a Business Plan.

This unit will help you organize the materials you have developed in all the other PACE units into a written, Business Plan. You will learn how to summarize your business projections into a proposal that clearly describes the business opportunity. You will learn the mechanics of organizing and presenting the plan in an easy-to-follow document.

Before you begin this unit, you should have worked through every aspect of the business operation. By now, you should be familiar with the process of making decisions about your business. For every phase of your business, you should already have—

- identified the questions to be answered;
- determined informational needs;
- obtained the necessary information;
- compared alternative solutions;
- made decisions.

This unit will help you develop a Business Plan to interest others in your business opportunity.

HOW DOES THE BUSINESS PLAN HELP YOU?

A *Business Plan* is a proposal that describes a business opportunity for financing agencies or investors. The act of planning your business in detail before you invest money and time may save your entire investment, for you may discover that the venture is unsound.

If you are preparing to develop a Business Plan, then it is assumed that you have a profitable business idea and you're ready to put it together. Your final product will be more useful if you first consider how you will use the plan in the future. What help will the plan be to you? The Business Plan will help you in three major ways:

- It will help you obtain financing
- It will serve as a guide for opening the business
- It will provide a management guide

A Means for Obtaining Financing

It is expensive to open a new business and almost every entrepreneur must seek extra money from somewhere. You will find lending agencies and individuals in your community who lend or invest money in small businesses for profit. These agencies or people will not commit their money to your enterprise until they are reasonably certain that you will make a profit. Your Business Plan will be your means of convincing lenders or investors that your idea for a profitable business deserves their attention.

Guide for Opening the Business

The Business Plan will serve as both your "roadmap" and your "laundry list" as you launch your new business. Your schedule will be packed with activity once you secure funding. But you have to spend many hours planning and developing procedures for opening the business. The "roadmap" will remind you where you are going and keep you "on track." The "laundry list" will help you take care of the hundreds of details that are part of preparing for the grand opening.

Management Guide

Your investors or lenders know that it usually takes several years for a new business to make an acceptable net profit. Thus, they require the would-be entrepreneur to plan for the operation of the business during its first three years. Projections are required for monthly operation during the first year and for quarterly operation for the second and third years. Such detailed planning leads the entrepreneur to consider the need for managing every phase of the business. Although adjustments will be necessary as time goes on, the Business Plan serves as a management tool for the entrepreneur while the business is young.

HOW IS THE PLAN ORGANIZED?

The information included in a Business Plan is lengthy and detailed. If your plan is to receive the attention you hope for, it must be well-organized and easy to read. The Business Plan Outline and Sample Business Plan found in this unit will serve as guides for developing your Plan. At the outset, you should realize that the Plan has four major sections:

I. Description of the Business
II. Marketing Plan
III. Organization Plan
IV. Financial Plan

These four major sections are supplemented by the following—

- Statement of purpose
- Summary
- Financial data

Each of these parts of the Plan is explained next.

Statement of Purpose

This brief statement on the first page identifies the business, its owner(s), its address, the amount of financing, the purpose of financing, and a statement about profit potential.

Section I. Description of the business. Section I introduces the reader to the business by describing the type of business, the product or service it will sell, and why it promises to be successful.

Section II. Marketing plan. Section II tells the reader how you will market your product or service to make a profit. It describes your potential customers, their buying habits, and their location. Your competition is analyzed and you analyze their marketing methods and their share of the market. You should discuss in this section how your business will be superior to the competition, and how you will attract customers and hold them.

Section II describes the proposed or actual location, its features, and how it supports your marketing plan. The building and its layout for selling your product or service is discussed.

Section III. Organization plan. In Section III, you will discuss how you plan to organize and manage the business. This section includes information about your management personnel and their qualifications. You will describe the needs for employees and how you will employ them, pay them, train them, and supervise them. Your plans for managing finances and recordkeeping should be included. The legal structure and organization chart for the business is discussed. Also mentioned are any permits, licenses, or regulations that are particularly important.

Section IV. Financial plan. This section tells the reader how you expect to apply the loan or investment in your business. It includes a financial report called the Application and Expected Effect of Loan. This report shows how the amount of money to be borrowed will be used. Following the financial report, Section IV explains each expenditure in paragraph form.

Summary

The closing statement contains only two or three brief paragraphs to summarize the Business Plan for the reader.

Paragraph 1 repeats the name of the business and its principal(s)/owner(s). It states the amount of financing needed and how the financing will be used.

Paragraph 2 discusses the opportunities for growth. It tells how true marketing and organization plans support the potential of the business.

Paragraph 3 repeats how the funds that are sought promise to contribute to profit.

Financial Data

The prospective lender or investor will want to examine detailed financial estimates covering the first three years after the financing is obtained. While these reports are critical for a detailed analysis of the profit prospects for the business, they are too lengthy to include in the body of the business plan. Therefore, the back-up financial projections for the business are included in a special section near the back of the Plan. The financial reports included here are these—

1. Sources and application of financing
2. Capital equipment list
3. Beginning balance sheet
4. Break-even analysis
5. Three-year annual and monthly projected income statements
6. Monthly and quarterly cash flow projections

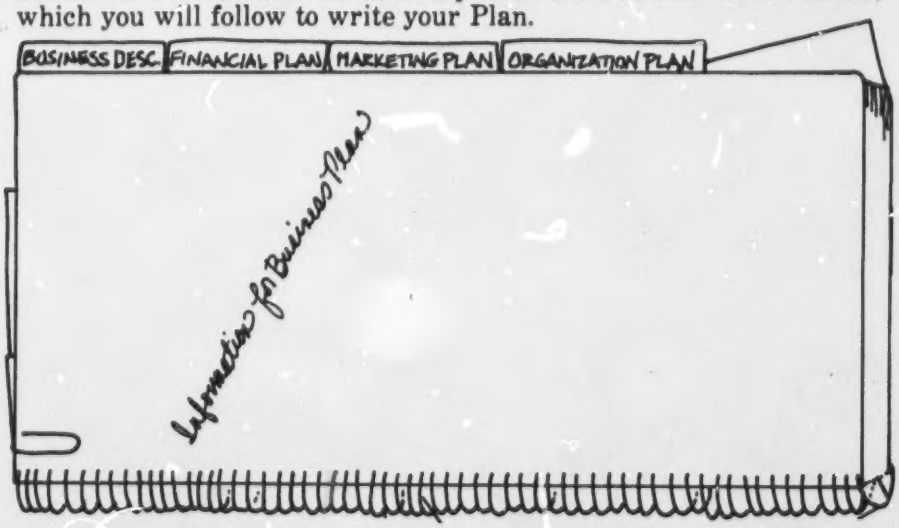
WHAT ARE THE MECHANICS FOR DEVELOPING A PLAN?

The Business Plan will be more positively received if the mechanics of it make it easy to read. Here are some suggestions to improve readability:

Organizing and Analyzing the Data

You should use a loose-leaf notebook with dividers as you are collecting the information and making decisions about your future business. When you are ready to develop the Business Plan, you will need to study the materials you have collected in each section. You may find it helpful to number your notebook pages and classify each section into subtopics.

List the subtopic headings on note cards, reference the page numbers, and clip similar subtopics together. Then hold the cards for each section together with rubber bands. You will be able to arrange the collection of cards into the same topics as the Business Plan Outline, which you will follow to write your Plan.



Organizing the Business Plan

You will want to refer to the Business Plan Outline and to the Sample Business Plan as guides. The Outline is the blueprint for your finished Plan. The Outline should lead the reader through a logical discussion of the topics, from introduction to ending. The Sample Plan will help you with organizing the Plan.

Charts and Graphs

You should present complicated data in some type of chart or graph. This is especially true when you need to call your reader's attention to financial data. An organization chart is also best presented in graphic form. Just remember to keep your reader in mind. Prospective investors and lenders are not interested in a chart, tables, or graphs unless they are important to understanding. Remember to follow the data in each chart or graph with a series of short explanatory sentences.

Drafting the Report

You are faced with a major task when you sit down to write your report. You must transfer what may seem to be a mountain of data into a readable proposal. Your Plan will read best if you write in direct conversational language, just as you would describe the business if you were telling your banker about it.

Write only the essential information without cluttering your sentences with adjectives. Use short, single-topic paragraphs. Use short, simple, familiar words. Make every word count. Avoid slang.

Recognize that you will need to revise your Plan several times before presenting it to a prospective lender or investor. Even the best of writers go through a number of revisions before they publish their writing. Ask someone who knows how to write clear reports to edit your draft. Use the MARINER'S SEAFOOD CATCH, INC., Business Plan as a model.

Ask yourself these questions before you complete your final draft:

- Are there any statements that are not relevant?
- Does every sentence, every chart conribute directly to the purpose of the plan?

Presentation and Appearance

No matter how excellent your Business Plan, it will be of little use if the person you intend it for doesn't read it. The appearance of the report presents your reader with a first impression that you want to be positive.

If your plan is carefully typed in short paragraphs, with clear headings, plenty of "white space," a well-designed cover page, and a functional binder or heavy duty staple, it will make a good appearance.

Typing the Plan is a mechanical function to be carried out by a competent typist. You should make sure, however, that the Plan is typed without error on a good grade of paper. Be sure to provide a sufficient number of clear copies.

BUSINESS PLAN OUTLINE

Cover Sheet:
Name of business
Name of owner(s)
Address and telephone number of business or where owner(s) can be reached
Date presented

First Sheet:
Statement of purpose
Name of business and address
Amount of financing needed
Purpose of financing
Statement of profit potential

Section I: Description of business
- A. Describe the business and the product or service you will sell.
- B. Discuss the history of the business, if any.
- C. Discuss your work experiences.
- D. Discuss the growth possibilities for the business and your reasons for believing the business will be successful.

Section II: Marketing plan
- A. Describe your potential customers and how you plan to attract and hold them.
- B. Describe your competition, how their businesses are currently faring, and how your business will be superior to each competitor.
- C. Describe your sales promotion plan, your selling methods, your purchasing plan, your best suppliers and what they offer.
- D. Describe your location, its features, what factors influenced you to choose it, your floor layout, and how all location factors influence marketing. Tell what equipment you need.

Section III: Organization plan
- A. Describe your management personnel, what each manager will do, their qualifications for the job, and their salaries for the first three years.
- B. Discuss any consultant or specialist services you will use and the assistance each will provide.
- C. Describe the employees you will need, what each will do, and how you will employ, pay, train, and supervise them.
- D. Describe the legal structure and how it will contribute to the business. Name your officers, if any, and present an organization chart.
- E. Describe your plan for managing finances and recordkeeping after the business gets going.
- F. Discuss any licenses, permits, or regulations that affect your business.

Section IV: Financial plan

A. Include the Application and Expected Effect of Loan report to show how you plan to use the financing.
B. Explain in short sentences each entry on the Application and Expected Effect of Loan report.

Summary

Present two or three summary paragraphs.

Paragraph 1
Summarize the description of the business. Give the name and address of the business, the type of business, your product or service, the name(s) of the owner(s), the amount of money needed, and the purpose of the financing.

Paragraph 2
Summarize the marketing plan. Describe the potential market, and how you will attract customers. Describe your competition and your selling methods.

Paragraph 3
Summarize your organization plan in terms of management personnel and qualifications, and legal structures.

Financial Data

Complete financial data should be included in this section. The following financial reports should be included:

1. Sources and application of financing (shows how much money you will need and where you propose to obtain it)
2. Capital equipment list (lists all equipment of value owned by the business that could be used as security for a loan)
3. Beginning balance sheet (shows the financial condition of the business as of the date stated: assets, liabilities, net worth)
4. Break-even analysis (shows the level of sales needed for the company to break even and cover expenses each month)
5. Annual projected income statement and explanatory notes (shows sales, cost of goods sold, gross profit, expenses, and net profit for each of the first three years)
6. Monthly projected income statements (shows estimated income for the first year by month and for the second and third years by quarter)
7. Monthly and quarterly cash flow projections and explanatory notes (shows the actual anticipated movement of cash within the business)

SAMPLE

BUSINESS PLAN

FOR

MARINER'S CATCH SEAFOODS, INC.

Submitted to
The Back Bay National Bank

and

The Small Business Administration

Frank Swanson
Marian Switzer
801 Fisherman's Harbor Road
Conway, RI 03674
602-740-2360

October 1, 19--

Statement of Purpose

MARINER'S CATCH SEAFOODS, INC. is seeking a loan of $36,000 to purchase equipment and inventory; purchase property and buildings at 801 Fisherman's Harbor Road, Conway, RI; perform necessary renovations and improvements; maintain sufficient cash reserves; and provide adequate working capital to expand an existing wholesale/ retail seafood market. This sum, together with the $10,000 equity investment of the principals, will be sufficient to finance transition through the expansion phase so the business can operate at a profit.

I. DESCRIPTION OF BUSINESS

MARINER'S CATCH SEAFOODS, INC., is a fishmarket specializing in selling extremely fresh (no more than one day from the boat) seafood to both retail and wholesale customers. At present, 60 percent of sales are to retail customers. We plan to concentrate more heavily on the wholesale trade (restaurants and grocery chains) in the future. Our experience has shown that even though the markup is lower for wholesale trade, profits are higher due to lower personnel costs and faster turnover of inventory.

The company began business four years ago and is open seven days a week, from 10.00 a.m. to 8:30 p.m. for retail business, and from 6:00 a.m. to 8:30 p.m. for wholesale. The retail demand is seasonal and fluctuates according to weather (our store is located on a tourist route). The wholesale demand is consistent and increasing. We feel that the latter can be improved by more direct selling. Our customers agree. The quality of our seafood is exceptional and, since Mr. Swanson is a former fisherman with many personal friends in the fishing industry, we do not anticipate difficulty maintaining good relations with our suppliers. We have made a policy of paying premium prices in cash at dockside for the best, freshest fish.

II. MARKETING PLAN

MARINER'S CATCH SEAFOODS, INC. will continue to provide premium quality seafoods to both wholesale and retail customers emphasizing the former. Our goal is to provide the freshest seafood at competitive prices to customers within 25 miles of Conway. This market has a total population of over 100,000 people and a potential of 300 wholesale customers. Customers will be attracted by: (1) direct approach to restaurants and market; (2) a local radio and newspaper advertising campaign; (3) word-of-mouth advertising from our current customer base; and (4) our location on a heavily traveled tourist route.

Competition

There are three seafood operations directly competing with MARINER'S CATCH SEAFOODS, INC.

(1) Freuhoff's Fish—scattered operation with one truck making the rounds and a small counter leased from a supermarket in Rockaway Village. We have cut into their sales by making promised deliveries on time at the agreed price. As a result, their operation has become marginal.

(2) The Kingfish—clean, three-person operation specializing in cheaper fish. Have trouble with their suppliers because they aren't willing to pay top dockside prices. Otherwise, sell directly to housewives from a fleet of three trucks, some wholesale trade that they hope to expand. Their sales are apparently expanding because they have been serving the same routes for five years and have an excellent reputation. Located in Portsmouth.

(3) Jonah's Seafoods—good relations with suppliers, have most of the supermarket trade, no retail. Currently rebuilding due to fire, but will be our most serious competition when the new store opens. Twenty-five years of experience in the area, good location on scenic bridge over the Inlet two miles south of MARINER'S CATCH on tourist route; plan to open retail store and may be willing to give up part of wholesale since the owner is getting on in years.

The indirect competition is from the major processors in New Hope (45 miles east) and Bristol (60 miles south). Since we fall between their primary market areas, we can purchase from both on a consignment basis.

Location

MARINER'S CATCH is currently leasing a one-story, wooden frame building with cement floor (22,000 square feet) at 801 Fisherman's Harbor Road, Conway, Rhode Island, for $175 per month with an option in writing to buy at $22,000. The area is zoned for commercial use. Fisherman's Harbor Road is part of U.S. Route 1, a heavily traveled tourist route with most businesses nearby catering to the tourist trade.

MARINER'S CATCH has performed major leasehold improvements, including a walk-in freezer and rough-sawn, pine board walls. The building is divided into: (1) sales/counter area (1,200 square feet); (2) cutting area (100 square feet); and (3) other (space for toilet, potential storage and/or sales area, totaling 700 square feet).

III. ORGANIZATION PLAN

Management

Mr. Swanson was born in Conway and has lived there all his life. After graduating from Conway schools and serving in the U.S. Navy for three years, he became a self-employed fisherman, taking evening courses in small business management and sales at R.I. State, with the ultimate aim of owning and managing a retail store. He also serves as a member of the zoning board for Conway.

Ms. Switzer was born in Milwaukee, Wisconsin, in 1950, attended schools in Utah, Alaska, and Florida, and served four years in the Marines (rank upon separation, E-3). She test-drove motorcycles for a year, then served as Parts Manager for Moped Cycles, Inc., before joining the CASH & HAUL FOODSTUFF, INC., as a packer in March 1973 in their Kennebunkport, Maine plant. In June, 19— she resigned as line foreman of the Frozen Food Filleting Department to join Swanson in the MARINER'S CATCH operation. She lives in Inlet Bay.

Both are healthy and energetic; they believe their abilities complement each other and will permit them to make MARINER'S CATCH a success. In particular, Swanson knows all of the fishermen while Switzer has had experience in cost control and line management. He will be responsible for the store and inventory control. Switzer will be primarily responsible for the development of the wholesale business and, with Swanson, will set policy. Personnel decisions will be made jointly.

Salaries will be $215 a month for the first year to enable the business to pay off startup costs. (Swanson's wife earns enough to support his family; Switzer's personal expenditures are very low, since she shares a house with five other adults.) In the second year the managers will earn $600 a month; in the third year $660 a month, with any profit returned to the business.

In order to augment their skills, Switzer and Swanson have enlisted the help of Edward Allen, a CPA, and of James Woodall, Attorney. Other potential resources have been located, including the Conway Business Information Center (Andrew Beale), Rhode Island State's Venture Incubator Division, the Small Business Association of New England, and the Fish Retailers Organization for Growth (FROG). Marshall Campbell, a retired Conway banker, has agreed to serve on the MARINER'S CATCH board and will provide ongoing management review. Other members of the board are Allen, Woodall, Switzer, and Swanson.

Personnel

MARINER'S CATCH will hire one part-time salesperson within six months. The salesperson's duties will be selling seafoods over the counter to the retail customers. He or she will be paid the minimum wage ($3.70) for weekend work; no fringe benefits or overtime are anticipated. We will also employ, on an as-needed basis, one cutter at $3.75/hour to help prepare seafood for the wholesale trade.

Switzer's Experience

March 19-- - June 19-- : Two years as line foreman, CASH & HAUL FOODSTUFF, INC., Kennebunkport, Maine. Responsible for hiring, training and directing operations of 15 persons in Frozen Fish Filleting department. Rescheduled work flow with resultant 30 percent increase in output per worker. Implemented new purchasing system that reduced spoilage by 8 percent. Reduced personnel turnovers by working with local union for revisions of company contract policy, and by shifting from production line to team task approach. Received CASH & HAUL FOODSTUFF, INC., award for line management and was given special assignment to explain these changes to other line foremen at all 22 company plants in New England and the Middle Atlantic states.

Swanson's Experience

Frank Swanson is a former fisherman in the area with many personal friends in the fishing industry and good relationships with seafood industry suppliers. He is a native of Conway and has lived here all his life—except for three years in the U.S. Navy after high school graduation. He supported himself for several years as a self-employed fisherman while he took evening classes in retail store management and small business management. He is healthy, energetic, and well liked. He will be responsible for store management, company policy, and inventory control.

IV. FINANCIAL PLAN

Application and Expected Effect of Loan

The 36,000 will be used as follows:

Purchase of 801 Fisherman's Harbor Road property		$22,000
Equipment:	• '71, Ford pickup with insulated body	1,885
	• Dayton compressor (used, serial no. 45-cah-990)	115
	• Sharp Slicer (used, Speedy model)	200
Renovations		4,000
Working capital		4,000
Inventory		500
Reserve (not disbursed)		3,300
	TOTAL	$36,000

MARINER'S CATCH SEAFOODS, INC., can purchase the 801 Fisherman's Harbor Road property at a substantial savings under terms of the lease/purchase agreement signed July, 19-- . An independent appraiser has calculated the value of the property, including leasehold improvements by MARINER'S CATCH, at $30,000. The monthy payment for a 12-year mortgage will be $250 a month, a net increase of $75 a month over the current rent. See FINANCIAL DATA for the effect on the business.

The truck will be used to deliver merchandise to wholesale customers, retard spoilage, and maintain the quality of our merchandise.

The compressor will replace the compressor now used for the refrigeration unit and should lower electric costs.

The slicer will eliminate four person-hours of work daily. The time released will be used for soliciting more business and processing a greater volume of whole fish. With the slicer, relatively untrained help can fillet flounder with minimal waste.

The renovations are: a deep well (water) required by the state; a toilet and wash sink separate from the work area; and replacement of the current obsolete heating system, thus reducing fuel expenses.

The working capital will enable MARINER'S CATCH to meet current expenses, offset negative (seasonal) cash flow as shown in the Working Capital Analysis in FINANCIAL DATA, and insure the continued growth of the business.

The inventory is to take advantage of bulk rates on certain fresh frozen packaged goods (baitfish, South African lobster tails).

The reserve will be held by the bank as a line of credit to be used to take advantage of special opportunities or to meet emergencies.

Summary

MARINER'S CATCH SEAFOODS, INC., is a fish market serving both retail and wholesale markets in and around Conway, Rhode Island. Marian Switzer and Frank Swanson, the owners, are seeking $36,000 to purchase the building at 801 Fisherman's Harbor Road, perform necessary renovations and improvements to the property, and maintain cash reserves and adequate working capital. This amount will be sufficient to finance transition through a planned expansion phase so the business can operate at a profit.

Careful analysis of the potential market shows an unfilled demand for exceptionally fresh seafood. Switzer's local reputation will help secure a sizeable portion of the wholesale market, while Swanson's managerial experience assures that the entire operation will be carefully controlled. In addition to a working board, Switzer's studies at Rhode Island State will provide even more control over the projected growth of MARINER'S CATCH.

The funds sought will result in a greater increase in fixed assets than may be shown, as Switzer will be performing much of the renovation and improvements. The additional reserve and working capital will enable MARINER'S CATCH to increase its sales substantially while maintaining profit.

FINANCIAL DATA

MARINER'S CATCH SEAFOODS, INC.

Sources and Applications of Financing

Sources		
Bank Loans:		
1. Mortgage loan	$22,000	
2. Term loan	10,700	
3. Reserved loan	3,300	
Total		$36,000
Applications		
Purchase building	$22,000	
Equipment	2,200	
Renovations	4,000	
Inventory	500	
Working capital	4,000	
Reserve for contingencies	3,300	
Total		$36,000

To be secured
by
Assets of the Business
Signatures of the Principals
Marian Switzer
Frank Swanson

SBA Guarantee

MARINER'S CATCH SEAFOODS, INC.
CAPITAL EQUIPMENT LIST

Major Equipment and Normal Accessories	Model	Cost or List Price (Lower)
Storequip, Inc., display case, glass front refrigerated	Handmade	$ 200
Storequip, Inc., display case, glass front, ice	SST6-77K	400
Dayton air compressor	#45-cah-990	115
Bendix standing freezer	3979-7584	125
Nameless, Inc., standard freezer	-	50
Cleaning table, fiberglassed	Handmade	200
Freezing locker & compressor	Handmade	3,000
	TOTAL:	$4,290
Minor Shop Equipment		
Miscellaneous knives, scalers, etc.	-	$ 75
Miscellaneous display trays, storage boxes	-	50
	TOTAL:	$ 125
Other Equipment		
Pickup truck with insulated body	1971 Ford, Lo-bed	$1,885
Safe	1879 Mosler	100
Cash register	1869 NCR	50
Calculator	TI-120	65
Light fixture	Custom design	100
	TOTAL:	$2,200
CAPITAL EQUIPMENT	TOTAL:	$6,615

MARINER'S CATCH SEAFOODS, INC.

BEGINNING BALANCE SHEET

October 15, 19__

Current Assets		**Current Liabilities**	
Cash	$ 530	Accounts payable	$ 2,077
Accounts receivable (net)	100	Current portion LTD	1,440
Merchandise inventory	700	Total Current Liabilities	$ 3,517
Supplies	175		
Prepaid expenses	80	**Long-Term Liabilities**	
Total Current Assets	$ 1,585	Notes payable (a)	$ 535
Fixed Assets		Bank loan payable (b)	1,360
Fixtures & leasehold improvements	$ 3,750	Equity loan payable (c)	1,250
Building (freezer)	3,000	Total Long-term Liabilities	$ 3,145
Equipment	1,100	Total Liabilities	$ 6,662
Trucks	2,500	Net Worth: Owner Equity	$ 5,273
Total Fixed Assets	$10,350		
TOTAL ASSETS	$11,935	TOTAL LIABILITIES AND NET WORTH:	$11,935

Accounts payable:	Cleaver's, Inc.	$1,700
	Dosser's	119
	Paxton	180
	Conway Reefer	78
		$2,077

(a) Dave N. Hall for electrical work
(b) Term loan secured by '64 Jeep, '71 Ford
(c) S & C Greer Finance Corp. Belmont, N.H.

BREAK-EVEN ANALYSIS

The proprietors of MARINER'S CATCH utilized the following formula:

Fixed Costs (FC) = $1,625 per month
Variable Costs (VC) = 70% of gross sales (from experience)
Gross Margin (GM) = 30% of sales (100% - 70% = 30%) 30% = .3)

Thus: Sales (S) = FC ÷ GM
S = $1,625 ÷ .30
S = $5,416.67

Seeking a more conservative figure, we can use a gross margin of 22 percent instead of 30 percent:

Thus: S = FC ÷ GM
S = $1,625 ÷ .22
S = $7,386.36

The figure $7,386.36 represents the level of sales needed to break even per month. By cutting costs (mainly by reducing their draw to a bare minimum) fixed costs are recalculated at $1,100.

Thus: S = FM ÷ GM
S = $1,100 ÷ .22
S = $5,000

To calculate how many units we need to sell each month, the break-even sales level of $5,000 can be divided by the average unit selling price ($3); this represents 1,667 units per month. Furthermore if we consider that a customer purchases two units once a week, and we if assume an average of 4.3 weeks per month, we can calculate the number of customers needed to break even as 194 per month. This seems a reasonable figure, giving credibility to the break-even sales level of $5,000 per month.

ANNUAL PROJECTED
INCOME STATEMENT

MARINER'S CATCH SEAFOODS, INC.

Three-Year Summary

	Year I	Year II	Year III
Sales			
Wholesale	$27,400	$ 68,800	$ 84,000
Retail	40,400	91,000	91,000
Total: Sales	67,800	159,800	175,000
Cost of material	52,884	124,625	136,550
Variable labor cost	900	3,250	5,200
Cost of goods sold	53,784	127,875	141,750
Gross margin	14,016	31,925	33,250
Operating Expenses			
Utilities	1,200	1,680	1,920
Salaries	5,160	14,400	16,000
Payroll taxes and benefits	480	1,360	1,360
Advertising	480	720	720
Office supplies	120	180	180
Insurance	600	600	600
Maintenance & cleaning	240	300	300
Legal & accounting	500	740	740
Delivery expense	1,320	1,802	1,764
Licenses	60	60	60
Boxes, paper, etc.	120	240	240
Telephone	600	720	720
Depreciation	480	480	840
Miscellaneous	275	400	400
Total: Operating expenses	11,640	23,682	25,404
Other: Expenses			
Interest (mortgage) 9.75%	2,160	2,160	2,160
Interest (loan) 10.75%	900	900	900
Total: Other expenses	3,060	3,060	3,060
Total: All expenses	14,700	26,742	28,500
Net profit (loss) before taxes	(684)	5,183	4,750

MONTHLY PROJECTED INCOME STATEMENT

MARINER'S CATCH SEAFOODS, INC.
October 19__ to September 19__

	Oct. 19XX	Nov. 19XX	Dec. 19XX	Jan. 19XY	Feb. 19XY	Mar. 19XY	Apr. 19XY	May 19XY	June 19XY	July 19XY	Aug. 19XY	Sep. 19XY	TOTAL
Sales													
Wholesale	1,000	1,200	1,400	1,600	1,800	2,200	2,400	2,800	3,100	3,100	3,300	3,500	27,400
Retail	3,000	3,100	3,100	2,900	2,700	2,800	3,300	3,700	3,900	3,900	4,000	4,000	40,400
Total: Sales	4,000	4,300	4,500	4,500	4,500	5,000	5,700	6,500	7,000	7,000	7,300	7,500	67,800
Cost of material	3,120	3,354	3,510	3,510	3,510	3,900	4,446	5,070	5,460	5,460	5,694	5,850	52,884
Variable labor cost								200	200	200	200	100	900
Cost of goods sold	3,120	3,354	3,510	3,510	3,510	3,900	4,446	5,270	5,660	5,660	5,894	5,950	53,784
Gross margin	880	946	990	990	990	1,100	1,254	1,230	1,340	1,340	1,406	1,550	14,016
Operating expenses:													
Utilities	100	100	100	100	100	100	100	100	100	100	100	100	1,200
Salaries	430	430	430	430	430	430	430	430	430	430	430	430	5,160
Payroll taxes and benefits	40	40	40	40	40	40	40	40	40	40	40	40	480
Advertising	40	40	40	40	40	40	40	40	40	40	40	40	480
Office supplies	10	10	10	10	10	10	10	10	10	10	10	10	120
Insurance	50	50	50	50	50	50	50	50	50	50	50	50	600
Maintenance & cleaning	20	20	20	20	20	20	20	20	20	20	20	20	240
Legal & accounting	42	42	42	42	42	42	42	42	42	42	42	42	500
Delivery expense	110	110	110	110	110	110	110	110	110	110	110	110	1,320
Licenses	5	5	5	5	5	5	5	5	5	5	5	5	60
Boxes, paper, etc.	10	10	10	10	10	10	10	10	10	10	10	10	120
Telephone	50	50	50	50	50	50	50	50	50	50	50	50	600
Depreciation	40	40	40	40	40	40	40	40	40	40	40	40	480
Miscellaneous	23	23	23	23	23	23	23	23	23	23	23	23	275
Total: Operating expenses	930	930	930	930	930	930	930	930	930	930	930	930	11,640
Other: Expenses:													
Interest (mortgage) 9.75%	180	180	180	180	180	180	180	180	180	180	180	180	2,160
Interest (loan) 10.75%	75	75	75	75	75	75	75	75	75	75	75	75	900
Total: Other expenses	255	255	255	255	255	255	255	255	255	255	255	255	3,060
Total: All Expenses	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	1,225	14,700
Net profit (loss) before taxes	(345)	(279)	(235)	(235)	(235)	(125)	29	5	115	115	181	325	(684)
						(1,454)	low point						
Taxes													
Net profit (loss)													

QUARTERLY PROJECTED INCOME STATEMENT

MARINER'S CATCH SEAFOODS, INC.
by quarters, years 2 & 3

	1st QTR Year 2 (Dec)	2nd QTR Year 2 (Mar)	3rd QTR Year 2 (Jun)	4th QTR Year 2 Sept)	TOTAL Year 2	1st QTR Year 3 (Dec)	2nd QTR Year 3 (Mar)	3rd QTR Year 3 (Jun)	4th QTR Year 3 (Sept)	TOTAL Year 3
Sales										
Wholesale	14,800	16,000	18,000	20,000	68,800	18,000	20,000	22,000	24,000	84,000
Retail	21,000	21,000	22,000	27,000	91,000	21,000	21,000	22,000	27,000	91,000
Total: Sales	35,000	37,000	40,000	47,000	159,800	39,000	41,000	44,000	51,000	175,000
Cost of material	27,925	28,850	31,200	36,650	124,625	30,450	32,000	34,300	39,800	136,550
Variable labor cost	750	750	750	1,000	3,250	1,000	1,200	1,500	1,500	5,200
Cost of goods sold	28,675	29,600	31,950	37,650	127,875	31,450	33,200	35,800	41,300	141,750
Operating expenses										
Utilities	420	420	420	420	1,680	480	480	480	480	1,920
Salaries	3,600	3,600	3,600	3,600	14,400	4,000	4,000	4,000	4,000	16,000
Payroll taxes & benefits	340	340	340	340	1,360	380	380	380	380	1,520
Advertising	180	180	180	180	720	180	180	180	180	720
Office supplies	45	45	45	45	180	45	45	45	45	180
Insurance	150	150	15.	150	600	150	150	150	150	600
Maintenance & cleaning	75	75	75	75	300	75	75	75	75	300
Legal & accounting	185	185	185	185	740	185	185	185	185	740
Delivery expense (1)	387	420	471	524	1,802	378	420	462	504	1,764
Licenses	15	15	15	15	60	15	15	15	15	60
Boxes, paper, etc.	60	60	60	60	240	60	60	60	60	240
Telephone	180	180	180	180	720	180	180	180	180	720
Depreciation	120	120	120	120	480	120	120	120	120	480
Miscellaneous	100	100	100	100	400	100	100	100	100	400
Total: Operating expenses	5,857	5,890	5,941	5,994	23,682	6,288	6,330	6,372	6,414	25,404
Other expenses:										
Interest (mortgage)	540	540	540	540	2,160	540	540	540	540	2,160
Interest (loan)	225	225	225	225	900	225	225	225	225	900
Total: Other expenses	765	765	765	765	3,060	765	765	765	765	3,060
Total: All expenses	6,685	6,685	6,685	6,685	26,742	7,125	7,125	7,125	7,125	28,500
Net profit (loss)										

(1) Year 2 delivery expenses computed at 2.62 percent of wholesale sales
Year 3 delivery expenses computed at 2.10 percent of wholesale sales

Note: As the wholesale business increases, it is anticipated that route efficiency will also increase, causing delivery expenses to decrease

NOTES AND EXPLANATION FOR MARINER'S CATCH SEAFOODS, INC., ANNUAL PROJECTED INCOME

This section will-

- explain how the figures on the Annual Projected Income Statement were calculated,
- detail the assumptions that were made. Numerical references have been made by line [e.g., (19) Maintenance & cleaning].

(1) SALES include sales of seafood and sales of ancillary products (seasonings, sauces, baitbags, bait).

(2) & (3) Wholesale, Retail: MARINER'S CATCH plans to service the wholesale trade more extensively than is shown here, although the trend has been built into the projection. Retail sales are expected to be more volatile than wholesale, leveling off at a capacity of $9,000/month due to space restrictions. The volatility is due to seasonal traffic, which builds up from late March to the late summer peak. The increase shown in the (2) wholesale trade are based on both the greater number of restaurants open in the summer and the intensive effort planned for the winter months, to sell directly to the many restaurants to which MARINER'S CATCH has not yet introduced their product. Sales for September 1979 were $5,450; so these figures are very conservative (perhaps more than they should be, but the degree of pessimism is a matter of judgment). Too much pessimism is also bad. It can distort a reasonable profit picture, and a reasonable deal may then appear infeasible.

(4) TOTAL: SALES is the sum of (2) and (3).

(5) Cost of material: MARINER'S CATCH inventory has an average cost of 70 percent of sales (including a start-up spoilage rate of 5 percent, which has been reduced to under 1 percent of sales). (5) Cost of material has been calculated as 78 percent of sales to allow for the fluctuation of dockside fish prices during the winter.

(6) Variable labor cost: One part-time counter helper for summer weekends and one part-time cutter to help prepare seafood for restaurant trade at peak times.

(7) COST OF GOODS SOLD: Sum of (5) and (6).

(8) GROSS MARGIN: (4) minus (7).

(9) OPERATING EXPENSES

(10) Utilities: prorated by agreement with the utility companies involved. The expected prorated figure is $90 per month, but it may (probably will) increase.

(11) Salaries: $50 per week for each principal. This is an extremely low figure to which the principals have agreed in order to build up their business. This is a direct result of being undercapitalized.

(12) Payroll taxes and benefits: 9.5 percent of (11).

(13) Advertising: local newspaper and radio spots. This is an expense that they may profitably increase. They think (correctly) that a consistent, though modest, campaign will be more productive than a sporadically intensive campaign.

(14) Office supplies: consumable materials such as office stationery, carbon paper, staples, paper clips, pens and pencils, etc.

(15) Insurance: includes liability and key-person disability and life.

(16) Maintenance and cleaning: mainly supplies—a market such as theirs must meet stringent health codes.

(17) Legal and accounting: retainers to Mason Petrolcelli, J.D. and Schwinn Farley, CPA.

(18) Delivery expense: delivery of merchandise to restaurants and other markets.

(19) Licenses: required by state and municipality.

(20) Boxes, paper, etc.: packaging supplies.

(21) Telephone: needed for sales, pricing, contacting both suppliers and market.

(22) Depreciation: accountant's figure for depreciation of plant and equipment. This is perhaps too low.

(23) Miscellaneous: operating expenses too small to be itemized.

(24) TOTAL: OPERATING EXPENSE: sum of (10) through (23).

(25) OTHER EXPENSES: non-operating costs broken out to give them special prominence.

(26) Interest (mortgage): $22,000 at 9.5 percent for 15 years.

(27) Interest (loan): SBA term loan of $8,500 at 10.75 percent (7 years) (SBA maximum guarantee for a business of this kind).

(28) TOTAL: OTHER EXPENSES: sum of (26) and (27).

(29) TOTAL: ALL EXPENSES: sum of (24) and (28).

(30) NET PROFIT (LOSS) PRE-TAX: (8) GROSS MARGIN minus (29) TOTAL: ALL EXPENSES.

Items (31) and (32) are omitted due to no tax due.

MARINER'S CATCH does not expect to make much money for the first two years of operation. For a business of this kind, particularly for one so severely undercapitalized, this is no surprise. Even if it were well-capitalized, with no debt at all, the NET PROFIT would have been only $3,000 for the year.

This is a PROJECTION based on conservative figures. In their plan for the year, Switzer and Swanson expect to have total fixed costs of $1,100/month, not the $1,225 projected, and sales figures 12.5 percent higher. Their BUDGETED net profit should be $2,680, not the PROJECTED net loss of $684. If their margin were to continue at 30 percent of sales, not the 22 percent projected, their net profit for the year would be $8,783, the 'best case' assumption.

One item conspicuously absent is RENT. On the CASH FLOW this appears as MORTGAGE ($250 per month). Another is LOAN AMORTIZATION, which also appears on the CASH FLOW ($145 per month). These represent an added $140 per month for debt retirement, which is NOT an expense item, since it is for capital improvements that will be written off as Depreciation expenses over the course of several years. It is important not to double-deduct expenses, because such a practice is not only illegal but also obscures the information on the operation of your business. Information is the most valuable result of financial statements.

MONTHLY CASH FLOW PROJECTION

MARINER'S CATCH SEAFOODS, INC.
October 19__ to September 19__

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Total
Cash Receipts													
Income from sales													
Wholesale	1,000	1,200	1,400	1,600	1,800	2,200	2,400	2,800	3,100	3,100	3,300	3,500	27,400
Retail	3,000	3,100	3,100	2,900	2,700	2,800	3,300	3,700	3,900	3,900	4,000	4,000	40,300
Total: Cash receipts	4,000	4,300	4,500	4,500	4,500	5,000	5,700	6,500	7,000	7,000	7,300	7,500	67,300
Cash disbursements													
Cost of goods	3,120	3,354	3,510	3,510	3,510	3,900	4,446	5,070	5,460	5,460	5,694	5,850	52,884
Variable labor								200	200	200	200	100	900
Advertising	100	25	25	25	25	40	40	40	40	40	40	40	480
Insurance			150			150			150			150	600
Legal & accounting		125			125			125			125		500
Delivery expense	80	85	90	95	100	110	110	120	130	130	135	135	1,320
Fixed cash disbursements	688	688	688	688	688	688	688	688	688	688	688	688	8,256
Loan #1	145	145	145	145	145	145	145	145	145	145	145	145	1,740
Mortgage	250	250	250	250	250	250	250	250	250	250	250	250	3,000
Total cash disbursements	4,383	4,672	4,858	4,713	4,843	5,283	5,679	6,638	7,063	6,913	7,277	7,358	69,680
Net cash flow	(383)	(372)	(358)	(213)	(343)	(283)	21	(138)	(63)	87	23	142	(1,880)
Cumulative cash flow	(383)	(755)	(1,113)	(1,326)	(1,669)	(1,952)	(1,931)	(2,069)	(2,132)	(2,045)	(2,022)	(1,880)	

Fixed cash disbursements	
Utilities	100
Salaries	430
Payroll taxes & benefits	40
Office supplies	10
Maintenance & cleaning	20
Licenses	5
Boxes, paper, etc.	10
Telephone	50
Miscellaneous	23
	$688

Cash on hand:		
Loan proc.	4,000	
Cash	535	
Opening Balance	4,535	4,152	3,780	3,422	3,209	2,866	2,583	2,604	2,466	2,403	2,490	2,513
+ Cash receipts	4,000	4,300	4,500	4,500	4,500	5,000	5,700	6,500	7,000	7,000	7,300	7,500
Total new balance	4,152	3,780	3,422	3,209	2,866	2,583	2,604	2,466	2,403	2,490	2,513	2,655

QUARTERLY CASH FLOW PROJECTION

MARINER'S CATCH SEAFOODS, INC.
Quarterly for Years 2 and 3

	1st QTR Year 2 (Dec)	2nd QTR Year 2 (Mar)	3rd QTR Year 2 (Jun)	4th QTR Year 2 (Sept)	TOTAL Year 2	1st QTR Year 3 (Dec)	2nd QTR Year 3 (Mar)	3rd QTR Year 3 (Jun)	4th QTR Year 3 (Sept)	TOTAL Year 3
Cash receipts										
Income from sales										
Wholesale	14,800	16,000	18,000	20,000	68,000	18,000	20,000	22,000	24,000	84,000
Retail	21,000	21,000	22,000	27,000	91,000	21,000	21,000	22,000	27,000	91,000
Total: Cash receipts	35,800	37,000	40,000	47,000	159,800	39,000	41,000	44,000	51,000	175,000
Cash disbursements										
Cost of goods	27,925	28,850	31,200	36,650	124,625	30,450	32,000	34,300	39,800	136,550
Variable labor	750	750	750	1,000	3,250	1,000	1,200	1,500	1,500	5,200
Advertising	180	180	180	180	720	180	180	180	180	720
Insurance	150	150	150	150	600	150	150	150	150	600
Legal & accounting	185	185	185	185	740	185	185	185	185	740
Delivery expense (1)	387	420	471	524	1,802	378	420	462	504	1,764
Fixed cash disbursements	4,772	4,805	4,856	4,809	19,242	5,263	5,305	5,347	5,389	21,304
Loan #1	435	435	435	435	1,740	435	435	435	435	1,740
Mortgage	750	750	750	750	3,000	750	750	750	750	3,000
Total cash disbursements	35,660	36,585	38,935	44,635	155,815	38,935	40,685	43,285	48,785	171,690
Net cash flow	140	415	1,065	2,365		65	315	715	2,215	3,310
Cumulative cash flow		555	1,620	3,985		4,050	4,365	5,080	7,295	

Fixed cash disbursements	Year 2	Year 3
Utilities	140	160
Salaries	1,200	1,333.33
Payroll Taxes&Benefits	113.33	126.50
Office supplies	15	15
Maintenance & Cleaning	25	25
Licenses	5	5
Boxes, paper, etc.	20	20
Telephone	60	60
Miscellaneous	33.33	33.33
Fixed cash disbursements (Quarterly average)	4,835	5,335

(1) Year 2 delivery expenses computed at 2.62 percent of wholesale sales
Year 3 delivery expenses computed at 2.10 percent of wholesale sales

Note: As the wholesale business increases, it is anticipated that route efficiency will also increase, causing delivery expenses to decrease

NOTES AND EXPLANATION FOR MARINER'S CATCH SEAFOODS, INC., CASH FLOW PROJECTION

The only receipts shown on this cash flow are from sales. LOAN PROCEEDS are shown on line 36 in the cash balance reconciliation. This data sheet shows how *business operations* affect the cash flow. Since most purchases of inventory are made on a cash basis (cash or 10-day net) the principals of MARINER'S CATCH plan to have a minimum of $2500 available to provide liquidity and to purchase additional equipment, if needed. Otherwise, line 41 is only used as a quick check on whether they are following their budget or not.

References are to line numbers on the Monthly Cash Flow Projection sheet unless otherwise noted.

(3) Wholesale: see INCOME PROJECTION for derivation of these figures.

(4) Retail: see INCOME PROJECTION for derivation of these figures.

(7) Cost of goods: 78 percent of line 5.

(8) Variable labor: $200 per month from May to mid-September to handle the extra tourist traffic on weekends and extra seafood preparation costs associated with two restaurants that do weekend clambakes during peak season.

(9) Advertising: $100 for initial burst, $25 per month thereafter.

(10) Insurance: payable quarterly.

(11) Legal & accounting: retainers payable quarterly.

(12) Delivery expense: projected to increase less slowly than wholesale sales due to careful route planning.

(13) Fixed cash disbursements: cash expenses that do not vary with sales. See lines 20 through 29 for details.

(14) Loan #1: $8500 SBA guaranteed loan at 10.75 percent for seven years.

(15) Mortgage: $22,000 at 9.5 percent for fifteen years.

(17) NET CASH FLOW: line 5 minus line 16.

(18) CUMULATIVE CASH FLOW: this sums up the NET CASH FLOW on a monthly basis, adding the current month NCF to the previous month's CCF. (This is useful on a periodic basis—quarterly, semi-annually, and annually, for instance.)

Further explanation of these items appears in the notes and explanation accompanying the Annual Projected Income Statement.

ACTIVITIES

Develop a Business Plan for your business. Use the Business Plan Outline in this unit and the Sample Business Plan for MARINER'S CATCH SEAFOODS, INC., as a guide.

ASSESSMENT Directions: On a separate piece of paper, number from 1-20.

A. Select the best answer for each of the statements below. Write the appropriate letter beside the number on your paper.

1. The "Financial Data" located near the back of the Business Plan include—

   a. detailed financial reports.
   b. information describing your record keeping system.
   c. income tax back-up materials.

2. The Business Plan should be—

   a. written in formal business language.
   b. written in conversational language.
   c. developed in chart and graph form.

3. The "Summary" in a Business Plan—

   a. includes a financial report explaining each expenditure.
   b. provides an organization chart for the business.
   c. contains two or three brief paragraphs.

4. A Business Plan is—

   a. a profitable business idea.
   b. a procedure for transferring business data into a report.
   c. a proposal describing a business opportunity.

5. The "Statement of Purpose" in a Business Plan—

   a. is a means of convincing lenders or investors that your business idea deserves attention.
   b. identifies the business opportunity and the reasons why financing is needed.
   c. tells the reader how you expect to apply the loan or investment in your business.

6. The physical appearance of your Business Plan provides—

   a. the reader with a first impression of you.
   b. the opportunity for you to show originality.
   c. the opportunity to distract the reader from errors in the Plan.

7. A loose-leaf notebook is useful to the would-be entrepreneur for—

   a. classifying topics and subtopics.
   b. setting up a recordkeeping system for the business.
   c. filing materials collected in preparation for entrepreneurship.

8. The "blueprint" for developing a finished Business Plan is called a—

   a. Business Plan Outline.
   b. System for analyzing data.
   c. loose-leaf notebook.

B. Complete the following statements next to numbers 9-20 on your paper.

A Business Plan helps the entrepreneur in three ways:

9. _____
10. _____
11. _____

The four major sections of the Business Plan are:

12. _____
13. _____
14. _____
15. _____

16. The section of the Business Plan that explains how you expect to apply the loan or investment in your business is called the _____.

17. The section of the Business Plan that introduces the reader to the business and its product or service is called the _____.

18. Management of the new business is discussed in the _____ section of the Business Plan.

19. Potential customers and competitors are discussed in the _____ section of the Business Plan.

20. You should recognize that you will need to _____ your Plan several times before presenting it to a prospective lender or investor.

NOTES For further information, consult the lists of sources in the *Resource Guide.*

Level 3

PACE

Unit 1. Understanding the Nature of Small Business

Unit 2. Determining Your Potential as an Entrepreneur

Unit 3. Developing the Business Plan

Unit 4. Obtaining Technical Assistance

Unit 5. Choosing the Type of Ownership

Unit 6. Planning the Marketing Strategy

Unit 7. Locating the Business

Unit 8. Financing the Business

Unit 9. Dealing with Legal Issues

Unit 10. Complying with Government Regulations

Unit 11. Managing the Business

Unit 12. Managing Human Resources

Unit 13. Promoting the Business

Unit 14. Managing Sales Efforts

Unit 15. Keeping the Business Records

Unit 16. Managing the Finances

Unit 17. Managing Customer Credit and Collections

Unit 18. Protecting the Business

Resource Guide

Instructors' Guide

Units on the above entrepreneurship topics are available at the following three levels:

- Level 1 helps you understand the creation and operation of a business
- Level 2 prepares you to plan for a business in your future
- Level 3 guides you in starting and managing your own business

OSU

The Ohio State University